DROUGHT RESPONSE TASK FORCE REPORT
INVESTOR-OWNED WATER UTILITIES
ILLINOIS COMMERCE COMMISSION
WATER ENGINEERING PROGRAM
AUGUST 23, 2012

- The Illinois Commerce Commission regulates 37 investor-owned water utilities serving approximately 352,000 water customers. These utilities collectively operate about 118 water systems throughout the State of Illinois. The majority of Commission-regulated water utilities are small ground-water systems (87); the remainder are purchased water systems (20) and surface water systems (11). The Commission does not regulate municipal water systems, water districts, or water systems owned by homeowner associations.

- Only 3 investor-owned water utilities serve more than 1,000 customers each in the State of Illinois: Illinois-American Water Company, Aqua Illinois, Inc., and Utilities, Inc. These utilities collectively serve over 99% of the investor-owned water utility customers in the State. These 3 investor-owned water utilities were contacted to assess the effects of the drought on their water systems.

Illinois-American Water Company

Illinois-American Water Company is the largest investor-owned water utility in the State of Illinois serving approximately 277,000 customers throughout the State with water facilities in the Alton, Cairo, Champaign, Chicago-Metro, Interurban (East St. Louis and Granite City), Lincoln, Pekin, Peoria, Pontiac, South Beloit, Sterling, and Streator Districts. Illinois-American Water Company collectively operates about 45 water systems throughout the State. The Alton and Interurban Districts obtain their water supply from the Mississippi River. The Cairo District obtains its water supply from the Ohio River. The Peoria District obtains its water supply from the Illinois River. The Pontiac and Streator Districts obtain their water supply from the Vermilion River. The Champaign, Lincoln, Pekin, Peoria, Pontiac (Saunemin), and Sterling Districts are ground-water systems. The individual districts within the Chicago-Metro Division are either ground-water systems or purchase Lake Michigan water from other communities. The South Beloit District purchases ground-water from the City of Beloit, Wisconsin.

Illinois-American Water Company reported that they have not experienced any drought-related water incidents at any of their facilities in Illinois thus far this year. They have seen some increase in system deliveries across the state, but so far this year they have not exceeded 88% of the historic maximum day at any district and have adequate supplies and system capacity at each of their districts. Given this, they do not expect any drought-related water incidents at any of their systems in the near term.

There are no drought-related incidents for Illinois-American Water Company this reporting period.

Aqua Illinois, Inc.

Aqua Illinois, Inc. is the second largest investor-owned water utility in the State of Illinois serving approximately 57,000 customers with water facilities in the Candlewick, Fairhaven Estates, Hawthorn Woods, Ivanhoe, Kankakee, Oak Run, Ravenna, University Park, Vermilion, and Willowbrook Divisions in the northern half of the State. Aqua Illinois, Inc. collectively operates about 21 water systems in the northern half of the State. The Candlewick, Fairhaven Estates, Hawthorn Woods, Ivanhoe, Oak Run, Ravenna, University Park, and Willowbrook Divisions are ground-water systems. The Highland Estates Subdivision, Sun River Terrace, and Skyline Subdivision of the Kankakee Division are ground-water systems. Indianola of the Vermilion Division is a ground-water system. The Kankakee Division obtains its water supply from the Kankakee River. The Vermilion Division obtains its water supply from Lake Vermilion. Philo of the Vermilion Division purchases ground-water from Illinois-American Water Company's Champaign District. Oakview Avenue of the University Park Division purchases ground-water from the City of Joliet.

There are no drought-related incidents for Aqua Illinois, Inc. this reporting period.

Utilities, Inc.

Utilities, Inc. has 21 small water utilities scattered in the northern half of the State with a combined 15,000 customers statewide. Utilities, Inc. collectively operates about 31 water systems in the northern half of the State. 19 of these small water utilities are ground-water systems. The other 2 water utilities purchase Lake Michigan water from the Cities of Waukegan and Lake Forest.

There are no drought-related incidents for Utilities, Inc. this reporting period.

Conclusion

There are no drought-related incidents for investor-owned water utilities this reporting period. Therefore, the Commission does not have any recommendations for the utilities or the task force. The utilities do not expect any drought-related incidents at any of their water systems in the near future. Both the investor-owned water utilities and the Commission are closely monitoring the situation and the effects the drought may have on utility water systems and their customers. While the water supply and system capacity have been adequate for investor-owned water utilities and there are no water restrictions at this time, the outlook for those utilities appears to be heavily dependent on the temperature, precipitation level, and resulting water usage.

Drought Response Task Force – Update: August 23, 2012
Electric Generation, Transmission & Distribution

	Generation	Transmission	Distribution
Ameren No significant change since we last reported. But there are a few more things to consider.	There are no additional Drought-Related concerns since the last reporting period. There has been a slight derate (2-3MW) on a handful of plants as a result of high water discharge temperatures, coupled with high ambients. (Typically these conditions cause induced draft fan limitations and condenser backpressure increases which reduces MW at the maximum output and increases the minimum a unit must generate to stay stable.) The total amount of MW derate in the AMIL area is less than 50MW and this level poses no real risk to reliability. A couple plants are experiencing permitting issues with outlet water temperatures being higher than their site permit. In all cases, the plants have temporary exceptions in place that allow them to ignore the temperature limits. So there is no increased reliability risk in this area. (to the extent, the agencies continue to extend these temporary exceptions) And finally, a couple facilities are coping with water volume problems on the rivers. As the levels fall, the intake structures are not able to maintain a full, and direct, channel of water. The plants are addressing this, as they often do in low flow times, with dredging activities. But none of the plants are expected to be limited based on current Corps estimates. (but these estimates are highly dependent on weather across the Great Plains and Upper Midwest).	There are no additional Drought-Related concerns since the last reporting period. No issues reported beyond what was reported under Generation.	There are no additional Drought-Related concerns since the last reporting period. The distribution system continues to run under normal conditions with very few issues related to the heat.
MISO	There are no additional Drought-Related concerns since the last reporting period. No additional issues reported. MISO set a all-time record for energy used on Monday, July 23. https://www.midwestiso.org/AboutUs/MediaCenter/PressReleases/Pages/NewMarketPeakDemandRecordSetinMISORegion.aspx		NA
ComEd No significant change since last reported.	There are no additional Drought-Related concerns since the last reporting period. Have had a number of heat-related derates (most in the 10-50 megawatt range for a few hours) and on at least a couple of occasions we asked for an IEPA variance for a higher-than-normal outlet temperature. Those happen every summer, although it has been hotter than usual and earlier this year.	There are no additional Drought-Related concerns since the last reporting period. Not any issues on the	There are no additional Drought-Related concerns since the last reporting period. Have not experienced any impact to the system because

		transmission system as a result of the drought.	of the drought. What we have experienced is when there is a direct buried cable fault because of the dryness of the soil, it is harder to dig. This is the only issue we have experienced.
PJM	There are no additional Drought-Related concerns since the last reporting period. PJM continues to monitor the cooling water / river water flows and temps in its footprint. Pursuant to PJM's standard procedures PJM did write a letter to a generating plant owner in Illinois that the owner could provide to the EPA in which PJM noted the desirability for the plant to continue to operate and suggesting that perhaps the EPA temporarily could relax its water rules for that plant. We do not know if the letter was forwarded on to the EPA. In general the transmission system in Illinois managed by PJM (the ComEd system) remains stable as does the system managed by PJM in the other 12 states.		NA
AIEC	There are no additional Drought-Related concerns since the last reporting period. No problems to date due to drought conditions and no problems anticipated		
IMEA	There are no additional Drought-Related concerns since the last reporting period. No problems to date due to drought conditions and no problems anticipated		

Reference:

- Ameren: http://www.ameren.com/Pages/Home.aspx
- ComEd: https://www.comed.com/Pages/default.aspx
- MISO: https://www.midwestiso.org/Pages/Home.aspx
- PJM: http://www.pjm.com/
- AIEC: http://www.aiec.coop/
- IMEA: http://www.imea.org/main.aspx